

# HR Committee

9<sup>th</sup> May 2019



**Report of:** Director: Workforce & Change

**Title:** Gender Pay Gap Report

**Ward:** N/A

**Officer Presenting Report:** Mark Williams (Head of HR)

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## Recommendation

That the Committee notes the report and the recommended actions.

## Summary

The purpose of this report is to update the Committee on the latest gender pay gap analysis, the work the Council is doing to address the ongoing difference and close the gender pay gap.

## The significant issues in the report are:

- This report deals with the council's requirement to publish its gender pay gap as at 31<sup>st</sup> March 2018.
- It recommends the agreement of an action plan to address the pay gap which has been identified.
- These recommendations are being made with the aim of reducing the gender pay gap in future years.



## Policy

1. Publication of the Gender Pay Gap satisfies the Council's legal obligation under the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017.

## Consultation

2. **Internal**  
Not required because this report is for information only.
3. **External**  
Not required because this report is for information only.

## Context

### 4. Background

- 4.1. From 2017 onwards, any UK organisation employing 250 or more employees has to report publicly on its gender pay gap.
- 4.2. The gender pay gap is a measurement of the difference between men and women's average salaries. The UK's gender pay gap has fallen over time: the overall UK gender pay gap was 25% ten years ago and stood at 17.9% according to statistics published in October 2018 by the Office for National Statistics (ONS).
- 4.3. The Equalities Act Regulations require public authorities, to publish the data in six different ways: the mean and median gender pay gaps; the mean and median gender bonus gaps; the proportion of men and women who received bonuses, and the number of men and women according to quartile pay bands.

### 5. Calculating the Gender Pay Gap

- 5.1. The gender pay gap is a high-level snapshot of pay within an organisation and shows the difference in the average earnings between all men and women in an organisation (please see appendix 1). The snapshot date is 31st March for public Authorities.
- 5.2. The mean figure is derived by adding the hourly pay rate for all employees then dividing by the number of employees. The mean gender pay gap is the difference between the mean hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees.
- 5.3. The median figure is the middle value of pay rates. Half our employees will earn more than the median and half will earn less. The median gender pay gap is the difference between the median hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees.
- 5.4. The mean and median figures aim to give public authorities a better understanding of their gender pay gap, whilst facilitating comparison with national figures.
- 5.5. The definition of 'ordinary pay' and the methodology is intended to mirror as closely as

possible that used by ONS in its Annual Survey of Hours and Earnings, to enable meaningful comparison of the data. Ordinary pay is defined in regulation 3. It includes basic pay, allowances, pay for leave and shift premium pay. Ordinary pay does not include pay related to overtime, redundancy or termination of employment, pay in lieu of annual leave.

5.6. The Equality Act 2010 definition of an employee includes individuals who have a contract personally to do work. An agency worker or contractor who does not have a contract with the employer should not be included in the calculation. Agency workers would be included in the calculation of the agency's gender pay gap if they have a contract with the agency, either a contract of employment, or a contract personally to do work.

## **6. Causes of a gender pay gap**

6.1. A key driver of the gender pay gap is that fewer women than men are employed in senior and higher paid positions. Public authorities are required to report on the number of men and women in each quartile of their pay distribution. This is to help authorities consider where women are concentrated in terms of their remuneration and whether there are any blockages to their progression.

6.2. Across the UK, the causes of the gender pay gap are complex and overlapping:

- Women are more likely than men to have had breaks from work that have affected their career progression.
- A higher proportion of women enter occupations that offer less financial reward (e.g. administration). Many high paying sectors are disproportionately made up of male workers (e.g. engineering, traffic management and information and communications technology).
- A much higher proportion of women work part-time, and part-time workers earn less than their full-time counterparts on average.
- Women are still less likely to progress up the career ladder into high paying senior roles.

6.3. A recent survey by the Office for National Statistics found that occupational crowding has the largest effect, 23.0% on the differences between men's and women's log hourly pay. Whilst 9.1% of the difference was attributed to difference in working patterns. Men are more likely to work fulltime, and full-time employees on average earn more.

## **7. Findings from our gender pay gap data**

7.1. The Council in working with the Women's Commission have developed the attached report, as it recognised the organisation needs to ensure it realises the benefits of pay parity between men and women.

7.2. The Councils gender pay gap analysis indicates that mean pay for men is 3.99% higher than that of women and the median pay for men is 8.9% higher than that of women. The difference between the median and the mean figures is due to the high proportion of women in the top quartile of employees. The mean gender pay gap is significantly lower than that of the national average, which is currently 17.4%. The median gender pay gap is also significantly lower than the national average of 18.4% (please see appendix 1)

- 7.3. We report an improved overall gender pay gap, male mean earnings are 3.99% higher than those of female. Female median earnings have seen an increase in the last year, by 10.56%. Male median earnings have increased by 5.02%.
- 7.4. We have the 4th lowest gender pay gap amongst Core City comparators and the 2nd lowest pay gap amongst local Public Sector employers.
- 7.5. Our findings show higher levels of female representation in lower graded part time roles with women forming the majority of staff in the two lower earnings quartiles.
- 7.6. Our largest gap can be seen in our highest paid grades and is in favour of women, due to the majority of these employees being paid significantly higher than the average for the grade.
- 7.7. Gender pay gaps were identified within certain grades, stemming predominantly from men having longer lengths of service, which have enabled them to progress further through the respective pay ranges.

## **8. Closing the gap**

- 8.1. Bristol City Council will continue to address the ongoing difference in both mean and median percentages through further analysis of the reasons for disparity. By signing the Women in Business Charter the Council are committing to driving change, encouraging and supporting Women to progress through the organisation and work towards closing the gender pay gap.
- 8.2. In response to these findings our Organisational Improvement Plan and Equality Policy and Strategy set out the actions to continue to support our staff to develop and progress in the Council.

## **Proposal**

9. That the Committee notes the report and the recommended actions.

## **Other Options Considered**

10. None.

## **Risk Assessment**

11. Not required because this report is for information only.

## **Public Sector Equality Duties**

- 16a) Before making a decision, section 149 Equality Act 2010 requires that each decision-maker considers the need to promote equality for persons with the following “protected characteristics”: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. Each decision-maker must, therefore, have due regard to the need to:
  - i) Eliminate discrimination, harassment, victimisation and any other conduct prohibited under

the Equality Act 2010.

- ii) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to --
  - remove or minimise disadvantage suffered by persons who share a relevant protected characteristic;
  - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it (in relation to disabled people, this includes, in particular, steps to take account of disabled persons' disabilities);
  - encourage persons who share a protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
- iii) Foster good relations between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to –
  - tackle prejudice; and
  - promote understanding.

16b) Not required because this report is for information only.

### **Legal and Resource Implications**

#### **Legal**

Not required because this report is for information only.

#### **Financial**

##### **(a) Revenue**

##### **(b) Capital**

Not required because this report is for information only.

#### **Land**

Not applicable.

#### **Personnel**

Not required because this report is for information only.

### **Appendices:**

A – BCC Gender Pay Gap Report - Data based as at March 2018

### **LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**

#### **Background Papers:**

None.